

SENATE NATURAL RESOURCES  
COMMITTEE NO. 4  
DATE 3-23-07  
BILL NO. SB 558

MONTANA PSC INFORMATIONAL TESTIMONY ON SB 558

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Mr. Chairman and Members of the Committee,

The Public Service Commission has no position on SB 558, but offers these few comments:

Effective PSC economic regulation of a publicly owned utility, such as the proposed Montana Electric and Gas Authority, is problematic. Any Commission disallowance of the Authority's expenses as imprudent or unnecessary would create a liability for customers as there are no stockholders. The Commission has consistently pointed out this problem in regard to other bills that would have required the Commission to regulate publicly owned utilities.

SB 558 would put the Commission in the position of second-guessing the actions of another set of elected officials who would comprise the Authority. It seems odd to have a system under which one state agency (the Authority) is regulated by another state agency (the PSC).

Thank you for the opportunity to comment.